

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2009211
IN THE NAME OF PACIFIC WORLD CORPORATION
TO REGISTER A TRADE MARK IN CLASS 3**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO 46526
IN THE NAME OF PROFESSIONAL SOLUTIONS LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2009211
in the name of Pacific World Corporation
to register a trade mark in Class 3**

And

**IN THE MATTER OF Opposition thereto under
No 46526 by Professional Solutions Limited**

DECISION

On 27 January 1995, Pacific World Corporation of 3000 Redhill Avenue, Costa Mesa, California 92626, United States of America, applied to register the trade mark PROFESSIONAL SOLUTIONS in Class 3 for the following specification of goods:

Nail care products; nail soaking and conditioning agents; cuticle soaking agents, cuticle removers, nail hardening creams, nail strengtheners.

The application, numbered 2009211 was published for opposition purposes on 27 November 1996, and on 27 February 1997, Professional Solutions Limited (formerly Professional Solutions (UK) Limited) filed notice of opposition to the application. The grounds on which the opposition is based are, in summary:

- 1. Under Section 5(4)** Because of the opponents' use of the trade mark PROFESSIONAL SOLUTIONS in respect of hand and nail care products.

The opponents ask that the Registrar refuse the application in the exercise of her discretion and that costs be awarded in their favour.

The applicants filed a counterstatement in which admit that the trade mark used by the opponents is identical to that of the application, but deny all other grounds of opposition. They ask that the application be allowed to proceed and that costs be awarded in their favour.

The matter came to be heard on 18 July 2000, when the applicants were represented by Mr Tibor Gold of Stephenson Harwood, their trade mark attorneys, and the opponents by Mr Richard Gallafent, their trade mark attorneys.

The opponents' evidence

5 This consists of a Statutory Declaration dated 3 November 1997, which comes from Susan Hurst, the Director of Professional Solutions (UK) Limited, a position she has held since 9 September 1996, having previously been a Director of Professional Solutions Limited (the predecessor in business) from 7 April 1992 to March 1997. Ms Hurst confirms that she has access to the records of her current and previous company's relating to the use of the trade mark PROFESSIONAL SOLUTIONS, and that the facts declared to come from those records or from her own personal knowledge.

10 Ms Hurst refers to exhibit SH2 which consists of a copy of a Statutory Declaration that she filed by the opponents in support of their application to register the trade mark PROFESSIONAL SOLUTIONS. The declaration claims use of PROFESSIONAL SOLUTIONS as a trade mark dating from 1993 (although later gives the date of first use as 14 December 1992) in respect of nail care products, and an annual turnover from 1993 to 1996 of between £935 and £4,500. The accompanying exhibits includes price lists dating from January 1993 showing use of PROFESSIONAL SOLUTIONS as a trade mark and company name (with a geometric device) in relation to a range of hand, foot, nail and massage preparations, and features and advertisements from trade and general interest magazines dating from February 1993. Ms Hurst says that sales have been throughout the United Kingdom and abroad, referring to her previous Statutory Declaration in which she mentions that her company sold its products to the public by mail order and through salons

25 Ms Hurst notes that the date of filing of the opposed application and the priority date claimed by the applicants both post date the date on which her company first used PROFESSIONAL SOLUTIONS, and gives her views on her company's association with the mark. She refers to exhibit SH3 which consists of an undated advertisement for PROFESSIONAL SOLUTIONS NAILENE nail preparation and a covering note dated 20 November 1995 signed Diahann who is stated on the note as being a distributor for, inter alia, PROFESSIONAL SOLUTIONS products, and whom Ms Hurst says is Diahann Berridge of DMB Specialised Beauty, a distributor and customer of her company. Ms Hurst draws her conclusion as to why Ms Berridge sent her the advertisement, and to say that there will be confusion with her own products and damage to her company.

Applicants' evidence

40 The first document consists of a Statutory Declaration dated 11 March 1998, and comes from Findlay Morrison McClymont, a Director of FDD International Limited, a position he has held for five years. Mr McClymont confirms that he has full access to his company's records and that the information extracted from these records is true, and where stated as being from his own opinion or belief, he believes such matters to be true.

45 Mr McClymont says that his company has been selling the applicants' products under the trade mark PROFESSIONAL SOLUTIONS in the United Kingdom since 1995, and that he is not aware of, or received any enquiries relating to products sold under the trade mark PROFESSIONAL SOLUTIONS by any company other than the applicants. Mr McClymont notes that a copy of Chemist and Druggist price guide shows an entry for PROFESSIONAL

SOLUTIONS relating to the applicants, but no other company.

Next is a Statutory Declaration dated 30 April 1998, which comes from Keith Robert Farwell, the applicants' representative in these proceedings.

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Mr Farwell refers to exhibit KRF1 which consists of a copy of Chemist and Druggist Monthly Price List, August 1997, which he says is that referred to in the Declaration by Findlay Morrison McClymont.

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The final document is an Affidavit dated 11 March 1997, and comes from Madeline A Grant, the International Marketing Manager of Pacific World Corporation, a position she has held for four years. Ms Grant says that she is responsible for the sales support and marketing of products sold under the trade mark PROFESSIONAL SOLUTIONS.

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Ms Grant says that the trade mark was first used in the United States in June 1994 in relation to the goods specified in the application, although does not say from which date the mark has been used in the United Kingdom. The turnover and advertising figures said to relate to the United Kingdom date from 1995 and total in excess of £1,500,000 and £286,953 respectively, and relate to use throughout the United Kingdom. She refers to exhibit MAG1 which consists of items of packaging for nail care preparations, and to MAG2 which consists of three undated advertisements for the PROFESSIONAL SOLUTIONS product. These bear the words PROFESSIONAL SOLUTIONS (usually with the notation TM) and/or NAILENE (usually with the notation ®). Ms Grant gives details of amount of sales achieved and amounts spent in the promotion of the mark in other jurisdictions since 1994, and concludes by saying that she has never known confusion with the opponents' trade mark.

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Opponents' evidence in reply

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This consists of a Statutory Declaration dated 28 January 1999, and is a second Declaration by Susan Mary Rust.

Ms Rust refers to paragraph 10 of the Affidavit by Madeline Grant in which Ms Grant says that she has not known of any confusion with the opponents' goods. Ms Rust comments that this is because her company does not sell its products in the retail market, and to the fact that the opponents' use of the NAILENE brand which is a clear indication of the source of their goods.

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Ms Rust refers to the Chemist & Druggist price guide included as an exhibit to the Declaration by Findlay Morrison McClymont, noting that it is primarily for chemists and the like, and does not claim to be a definitive list of all personal care products. She notes the entry for the applicants in the price list is under the NAILENE brand name, with the supplier being shown as FDD International rather than Pacific World Corporation. Ms Rust notes that Mr McClymont implies that the applicants first used the mark in the United Kingdom in 1995.

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That concludes my review of the evidence insofar as it is relevant to these proceedings, and I turn to consider the respective grounds upon which the opposition has been brought.

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Decision

At the hearing Mr Gallafent confirmed that the ground of opposition was to be found under subsection (a) of Section 5(4). That section reads as follows:

5 A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

10 (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) by virtue of an earlier right other than those referred to in subsection (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered design.

15 A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.

I was referred to the guidance given by Mr Geoffrey Hobbs QC, sitting as the Appointed Person in the WILD CHILD case 1998 14 RPC 455. In that decision Mr Hobbs stated that:

20 The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1 (1) of the Act) was liable to be prevented at the date of application for registration (see Art. 4 (4) (b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off.

25 A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd - v - Borden Inc (1990) RPC 341 and Even Warnik BV - v - J. Townend & Sons (Hull) Ltd (1979) AC 731 is (with footnotes omitted) as follows:

35 The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

40 (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

45 (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been

5 preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of "passing off", and in particular should not be used to exclude from the ambit of the tort recognised forms of the action of passing off which were not under consideration on the facts before the House.

10 Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

15 To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- 20 (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of person; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

25 While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

30 In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- 35 (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on a business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- 40 (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- 45 (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.

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The date of the opponents' first use of their trade mark is unclear, being given as 14 December 1992 in the Statutory Declaration of 3 November 1997 by Susan Hurst, and as 1993 in her earlier Declaration shown as exhibit SH2, although this is of little consequence as both are somewhat earlier than the date claimed by the applicants. The evidence shows that the opponents have used PROFESSIONAL SOLUTIONS as part of their company name, and also as a trade mark, albeit mostly (although not only) in conjunction with a geometric device. The exhibits show the mark has been used in connection with various nail, hand and foot care preparations, the earliest use shown dating from January 1993, and whilst there is no direct evidence of actual sales (from either party), the promotional features and advertisements in the exhibits indicate that there has been a trade in these goods, albeit from the turnover figures, on a very modest scale. Nevertheless, I consider it reasonable to infer that the opponents are likely to have established a degree of goodwill and a reputation in the trade mark PROFESSIONAL SOLUTIONS in respect of nail, hand and foot care preparations.

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The applicants say that they first used the mark in the United Kingdom in 1995, but there is nothing in the evidence which establishes use at that date. Although the test in respect of the applicants is a notional one, there is actual evidence of use and whilst this dates from after the relevant date it must be a reasonable indication of what they would have done prior to that date. What the evidence shows is that the applicants have been using PROFESSIONAL SOLUTIONS as a trade mark in respect of a nail preparation. The mark is mostly, although not exclusively, used in conjunction with another mark NAILENE, but clearly separated and with both marked with a symbol indicating that each is a trade mark in its own right.

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At the hearing Mr Gold accepted that some of the goods of the application are identical to those on which the opponents have used the mark, although he did not say which. As I see matters, all of the goods covered by the application, if not identical, are, at the very least so closely related to the opponents' goods so as to be considered similar, and if the case is established, it will stand against the entire scope of the application. The specification of the application covers essentially nail care preparations, be it for use on the hands or the feet, which are the self same goods sold by the opponents under the trade mark. Where the goods are available for purchase, in shops they will probably be chosen by self selection by the customer, whereas in salons they will most likely be obtained by request. Whilst the opponents' products appear mainly to have been aimed at salons, there is evidence that they may have also sold direct to the public. Either way, this makes little difference as the goods covered by the application are not limited in any way and are notionally for use in relation to the same market to the same customers.

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The descriptiveness of the words PROFESSIONAL SOLUTIONS is plain to see, and it is possible that they may be seen as an indication that the goods are solutions of a standard used, or for use by professionals, eg, manicurists, more so when used in the logo form where the device may be taken as the badge of origin and the words as a mere description. However, the words could be taken to have other meanings, eg, the professional answer to problem (nails, etc) and are capable of being regarded as a trade mark by those in the beauty industry, and the public at large

who would be their customers. That said, I do not consider that the trade marks in this case have much in the way of distinctiveness, at least not so as to warrant a wide degree of protection.

5 The position I arrive at is that the applicants are notionally seeking to register the same mark in respect of the same goods in the same area of the trade for which the opponents have established that they have an earlier reputation and goodwill. In these circumstances I have no difficulty in finding that misrepresentation is almost unavoidable, and it follows, damage will be caused to their rights. The opponents having established their case, the objection founded under Section 5(4)(a) succeeds.

10 The opposition having been successful I order the applicants to pay the opponents the sum of £835 as a contribution towards their costs. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

15 **Dated this 1 Day of December 2000**

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25 **Mike Foley**
For the registrar
The Comptroller-General